



## SECURITIES AND EXCHANGE COMMISSION

[SEC File No. 270-604, OMB Control No. 3235-0657]

### Proposed Collection; Comment Request; Extension: Form N-MFP and Rule 30b1-7

Upon Written Request, Copies Available From  
Securities and Exchange Commission  
Office of FOIA Services  
100 F Street, NE  
Washington, DC 20549-2736

Notice is hereby given that, pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (“Commission”) is soliciting comments on the collection of information summarized below. The Commission plans to submit this existing collection of information to the Office of Management and Budget (“OMB”) for extension and approval.

Section 30(b) of the Investment Company Act of 1940 (“Investment Company Act”)<sup>1</sup> provides that “[e]very registered investment company shall file with the Commission ... such information, documents, and reports (other than financial statements), as the Commission may require to keep reasonably current the information and documents contained in the registration statement of such company....”<sup>2</sup> Rule 30b1-7 under the Investment Company Act, entitled “Monthly Report for Money Market Funds,” provides that every registered investment company, or series thereof, that is regulated as a money market funds under rule 2a-7<sup>3</sup> must file with the Commission a monthly report of portfolio holdings on Form N-MFP<sup>4</sup> no later than the fifth business day of each month.<sup>5</sup> Form N-MFP sets forth the specific disclosure items that money market funds

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<sup>1</sup> 15 U.S.C. 80a-1 *et seq.*

<sup>2</sup> 15 U.S.C. 80a-29(b).

<sup>3</sup> 17 CFR 270.2a-7.

<sup>4</sup> 17 CFR 274.201.

<sup>5</sup> 17 CFR 270.30b1-7.

must provide. Filers must submit this report electronically using the Commission's electronic filing system ("EDGAR") in Extensible Markup Language ("XML").

Compliance with rule 30b1-7 is mandatory for any fund that holds itself out as a money market fund in reliance on rule 2a-7. Responses to the disclosure requirements will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

The following estimates of average burden hours and costs are made solely for purposes of the Paperwork Reduction Act and are not derived from a comprehensive or even representative survey or study of the cost of Commission rules and forms.

The Commission calculates there are currently 353<sup>6</sup> money market funds that report information on Form N-MFP, with approximately 8<sup>7</sup> of them being new money market funds that are filing reports on Form N-MFP for the first time.

We estimate that 35% of money market funds (or 124 money market funds, broken down into 121 existing funds and 3 new funds)<sup>8</sup> license a software solution and file reports on Form N-MFP in house; we further estimate that each fund that files reports on Form N-MFP in house requires an average of approximately 47 burden hours to compile (including review of the information), tag, and electronically file the Form N-MFP for the first time and an average of approximately 13 burden hours for subsequent

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<sup>6</sup> This estimate is based on staff review of reports on Form N-MFP filed with the Commission for the month ended December 31, 2021 and includes both feeder and non-feeder money market funds.

<sup>7</sup> This calculation is based on staff review of reports on Form N-MFP filed with the Commission for 2019 (16 new funds), 2020 (5 new funds) and 2021 (2 new funds). Averaging those numbers over three years provides an estimate of 8 new funds per year.

<sup>8</sup> The estimate is based on the following calculation:  $(353 \text{ money market funds} \times 35\% = 124 \text{ money market funds})$ . Of that amount, we estimate that 3 are new money market funds  $(8 \text{ new money market funds each year} \times 35\% = 2.8 \text{ funds, rounded to } 3)$ . Therefore,  $124 \text{ money market funds} - 3 \text{ new money market funds} = 121 \text{ existing money market funds}$ .

filings.<sup>9</sup> Therefore, we estimate the per fund average annual hour burden is 156 hours<sup>10</sup> for existing funds and 190 hours<sup>11</sup> for new money market funds. Based on an estimate of 121 existing funds and 3 new funds each year, we estimate that filing reports on Form N-MFP in house takes 19,446 hours and costs funds, in aggregate, \$6,319,950 per year.<sup>12</sup>

We estimate that 65% of money market funds (or 229 money market funds, broken down into 224 existing funds and 5 new funds)<sup>13</sup> retain the services of a third party to provide data aggregation and validation services as part of the preparation and filing of reports on Form N-MFP on the fund's behalf; we further estimate that each fund requires an average of approximately 26 burden hours to compile and review the information with the service provider prior to electronically filing the report for the first time and an average of approximately 9 burden hours for subsequent filings. Therefore,

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<sup>9</sup> We understand that the required information is currently maintained by money market funds pursuant to other regulatory requirements or in the ordinary course of business. Accordingly, for the purposes of our analysis, we do not ascribe any time to producing the required information.

<sup>10</sup> This estimate is based on the following calculation: 12 filings per year x 13 burden hours per filing = 156 burden hours per year.

<sup>11</sup> This estimate is based on the following calculation: (First month's initial filing x 47 burden hours) + (11 subsequent monthly filings x 13 burden hours per filing) = 190 burden hours per year.

<sup>12</sup> These estimates are based on the following calculations: existing funds: (156 hours x blended hourly rate of \$325 for a financial reporting manager (\$318 per hour), senior accountant (\$237 per hour), senior database administrator (\$373 per hour), senior portfolio manager (\$360 per hour) and compliance manager (\$339 per hour)) = \$44,772. The blended hourly rate was calculated as  $(\$318 + \$237 + \$373 + \$360 + \$339) / 5 = \$325$ . There are 121 existing money market funds that use in house solutions x 156 hours with an internal time cost of \$50,700 per fund = 18,876 hours with an internal time cost of \$6,134,700.

New money market funds: (190 hours x blended hourly rate of \$325 for a financial reporting manager (\$318 per hour), senior accountant (\$237 per hour), senior database administrator (\$373 per hour), senior portfolio manager (\$360 per hour) and compliance manager (\$339 per hour)) = \$61,750. The blended hourly rate was calculated as  $(\$318 + \$237 + \$373 + \$360 + \$339) / 5 = \$325$ . Three new money market funds x 190 hours with an internal time cost of \$61,750 per fund = 570 hours with an internal time cost of \$185,250.

Aggregate annual hourly burden for all funds filing reports on Form N-MFP in house: 18,876 hours + 570 hours = 19,446 hours.

Aggregate annual costs for all funds filing reports on Form N-MFP in house: \$6,134,700 + \$185,250 = \$6,319,950.

<sup>13</sup> The estimate is based on the following calculation: (353 money market funds x 65% = 229 money market funds. Of that amount, we estimate that 5 are new money market funds (8 new money market funds each year x 65% = 5.2 funds, rounded to 5). Therefore, 229 money market funds – 5 new money market funds = 224 existing money market funds.

we estimate the per fund average annual hour burden is 108 hours<sup>14</sup> for existing funds and 125 hours<sup>15</sup> for new money market funds. Based on an estimate of 224 existing funds and 5 new funds each year, we estimate that filing reports on Form N-MFP using a service provider takes 24,817 hours and costs funds, in aggregate, \$8,065,525 per year.<sup>16</sup> In sum, we estimate that filing reports on Form N-MFP imposes a total annual hour burden of 44,263 hours,<sup>17</sup> at an aggregate cost of \$14,385,475 on all money market funds.<sup>18</sup>

Cost burden is the cost of goods and services purchased in connection with complying with the collection of information requirements of rule 30b1-7 and Form N-MFP. The cost burden does not include the cost of the hour burden discussed above.

Based on discussions with industry participants, we estimate that money market funds that file reports on Form N-MFP in house license a third-party software solution to assist in filing their reports at an average cost of \$3,900 per fund per year. In addition,

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<sup>14</sup> This estimate is based on the following calculation: 12 filings per year x 9 burden hours per filing = 108 burden hours per year.

<sup>15</sup> This estimate is based on the following calculation: (First month's initial filing x 26 burden hours) + (11 subsequent month filings x 9 burden hours per filing) = 125 burden hours per year.

<sup>16</sup> These estimates are based on the following calculations: existing funds: (108 hours x blended hourly rate of \$325 for a financial reporting manager (\$318 per hour), senior accountant (\$237 per hour), senior database administrator (\$373 per hour), senior portfolio manager (\$360 per hour) and compliance manager (\$339 per hour)) = \$35,000. The blended hourly rate was calculated as  $(\$318 + \$237 + \$373 + \$360 + \$339) / 5 = \$325$ . There are 224 existing money market funds who use a third-party service provider x 108 hours with an internal time cost of \$35,100 per fund = 24,192 hours with an internal time cost of \$7,862,400.

New money market funds: (125 hours x blended hourly rate of \$325 for a financial reporting manager (\$318 per hour), fund senior accountant (\$237 per hour), senior database administrator (\$373 per hour), senior portfolio manager (\$360 per hour) and compliance manager (\$339 per hour)) = \$40,625. The blended hourly rate was calculated as  $(\$318 + \$237 + \$373 + \$360 + \$339) / 5 = \$325$ . Five new money market funds x 125 hours with an internal cost of \$40,625 per fund = 625 hours with an internal time cost of \$203,125.

Aggregate annual hourly burden for all funds filing reports on Form N-MFP using a third party service provider: 24,192 hours + 625 hours = 24,817 hours.

Aggregate annual costs for all funds filing reports on Form N-MFP using a third party service provider: \$7,862,400 + \$203,125 = \$8,065,525.

<sup>17</sup> This estimate is based on the following calculation: 19,446 hours for filers licensing a software solution and filing in-house + 24,817 hours for filers using a third-party service provider = 44,263 hours in total.

<sup>18</sup> This estimate is based on the following calculation: \$6,319,950 (in-house filers) + \$8,065,525 (filers using a service provider) = \$14,385,475.

we estimate that money market funds that use a service provider to prepare and file reports on Form N-MFP pay an average fee of \$9,300 per fund per year. In sum, we estimate that all money market funds incur on average, in the aggregate, external annual costs of \$2,613,300.<sup>19</sup>

Written comments are invited on: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication by [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Please direct your written comments to David Bottom, Director/Chief Information Officer, Securities and Exchange Commission, C/O John Pezzullo, 100 F Street, NE, Washington, DC 20549; or send an email to: [PRA\\_Mailbox@sec.gov](mailto:PRA_Mailbox@sec.gov).

Dated: March 25, 2022.

**J. Matthew DeLesDernier,**

*Assistant Secretary.*

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<sup>19</sup> This estimate is based on the following calculation: (124 money market funds (121 existing funds + 3 new funds) that file reports on Form N-MFP in house x \$3,900 per fund, per year) + (229 money market funds (224 existing funds + 5 new funds) that file reports on Form N-MFP using a service provider x \$9,300 per fund, per year) = \$2,613,300.

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